

1 Q. **Re: RRAS, 2019 Update, Vol. III, page 14 (130 pdf)**

2 Citation 1:

3 5.3.1 Critical Peak Pricing

4 One area of interest for Hydro is critical peak pricing (“CPP”), a rate structure whereby  
5 customers are motivated to reduce consumption during system peaks. Hydro-Québec is  
6 conducting a critical peak pricing pilot program during the winter of 2019–2020.

7 ...

8 Hydro will continue to monitor Hydro-Québec’s CPP pilot study to help determine if a similar  
9 program could have potential for customers in Newfoundland and Labrador, in the context of  
10 Newfoundland Power’s upcoming rate design review.

11 Citation 2 :

12 As noted in the Dunsky study:

13 While TOU Rates, CPP and Equipment Control programs did not appear to offer additional DR  
14 potential, adjustments to the existing Industrial Curtailment programs, incorporating more  
15 aggressive EV adoption peak load impacts, or adding the Fuel Switching load curve impacts, all  
16 may alter conditions such that TOU Rates, CPP and/or Equipment Controls could become  
17 effective in the future: Changes to the utility load curve or to the constraints applied in other  
18 programs have significantly impacted the interactions among programs. For example, if the NL  
19 Utilities are able to negotiate Industrial Curtailment contracts with longer DR event durations, it  
20 may be possible that TOU Rates, CPP and Equipment Programs could offer additional potential  
21 as compared to the results presented herein.

22 Hydro and Newfoundland Power have requested that Dunsky study the impact that revised  
23 Capacity Assistance Agreements could have on its conclusions regarding CPP and Time of Use  
24 (“TOU”) rates. The results of this additional study are expected in 2020.

- 1 a) Please confirm that Hydro-Québec's Critical Peak Pricing (« Rate Flex ») and Critical Peak  
2 Credit (« Winter Credit Option ») programmes are no longer pilot programmes, but rather  
3 are now part of HQ Distribution's standard rate sheet.
- 4 b) Please confirm that Dunsky's review of the application of these measures in the NL Utilities  
5 was limited to the IIS. In the event that Dunsky's review also addressed the capacity  
6 situation in the LIS, please describe in detail his results. If not, please explain why Labrador  
7 was excluded from his mandate.
- 8 c) Apart from the Dunsky study, has Hydro examined the potential value of this type of  
9 measure in Labrador, given the significant capacity constraints Hydro faces there? If so,  
10 please :
- 11 i. Provide details of the review undertaken, and  
12 ii. Provide copies of the resulting study or analysis.
- 13 If not, please explain why not.
- 14 d) Please provide a copy of the Dunsky study.
- 15  
16
- A. a) It is not confirmed that Hydro-Québec's Critical Peak Pricing (« Rate Flex ») and Critical Peak  
Credit (« Winter Credit Option ») programmes are now part of HQ Distribution's standard  
rate sheet. The below is an excerpt retrieved from Hydro Québec's website<sup>1</sup>.

17 **Gradual rollout**  
18 To provide optimum support to customers, dynamic pricing is being rolled  
19 out gradually. Some randomly selected customers received an email  
20 invitation to sign up. They were given the option of choosing one of the new  
21 offerings or sticking with their current rate.

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<sup>1</sup> <http://www.hydroquebec.com/residential/customer-space/rates/rate-flex-d.html> and  
<http://www.hydroquebec.com/residential/customer-space/rates/winter-credit-option.html> retrieved July 14, 2020.

1 For winter 2019–2020, the maximum number of customers who can sign up  
2 has been reached. You can fill in a form to tell us you’re interested and we’ll  
3 let you know when you can sign up.

4 Based on this information, it is Newfoundland and Labrador Hydro’s (“Hydro”)  
5 understanding that these rate options remain as pilot programs as not all customers are  
6 able to avail of this rate option at this time.

7 b) It is not confirmed that Dunsky’s review of the application of these measures in the NL  
8 Utilities was limited to the IIS. The following table, from the Dunsky Report Executive  
9 Summary, identifies which systems were analyzed.

Study Component	Model Applied	Systems Studied
Energy Efficiency	Dunsky’s Energy Efficiency Potential (DEEP) Model	IIC, LAB, ISO
Demand Response	Dunsky’s Demand Response (DR) Model	IIC, LAB
Fuel Switching	DEEP Model adapted for Heat Pump adoption	IIC
Electric Vehicles	Dunsky’s Electric Vehicle Adoption Model	Province-wide

10 c) The attached Dunsky report, and an addendum<sup>2</sup> to the same, are the most recent studies  
11 conducted on behalf of Newfoundland Power and Hydro with respect to demand response.  
12 Hydro plans to complete a rate design review for the Labrador Interconnected System after  
13 the completion of Hydro’s next General Rate Application. Hydro’s recent and ongoing focus  
14 with respect to rate design and cost of service has been on the changes required as a result  
15 of the completion of the Muskrat Falls Project.

16 d) Please refer to PUB-NLH-158, Attachment 10.

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<sup>2</sup> Anticipated to be filed with Hydro and Newfoundland Power’s joint Five-Year CDM and Electrification Plan.